



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Douglas W. Elmendorf, Director

January 13, 2014

Honorable Patty Murray
Chairman
Committee on the Budget
United States Senate
Washington, DC 20510

Re: Report on Appropriations and Sequestration for Fiscal Year 2014

Dear Chairman Murray:

Pursuant to section 254 of the Deficit Control Act of 1985, the Congressional Budget Office (CBO) is required to report within 10 days of the end of a session of Congress whether, by its estimates, enacted legislation has exceeded the caps on discretionary budget authority in effect for the current fiscal year. Those estimates are advisory; the Office of Management and Budget determines whether the caps have been exceeded, and thus whether a sequestration (a cancellation of budgetary resources) is required.

For 2014, the Bipartisan Budget Act of 2013 modified the caps originally established by the Budget Control Act of 2011: Those caps are currently set to total \$1,012 billion—\$520 billion for defense programs and \$492 billion for nondefense programs (before any adjustments to reflect funding for overseas contingency operations and certain other activities). Funding for the current year has been provided through January 15, 2014, under the FY 2014 Continuing Resolution (Public Law 113-46). In CBO's estimation, the annualized amount provided by the Continuing Resolution does not exceed the caps for 2014, and therefore, if that resolution was in effect for the entire fiscal year, a sequestration would not be required.

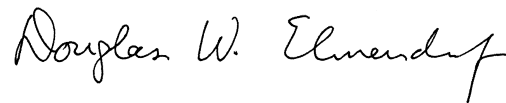
CBO intends to issue a more comprehensive sequestration report after final 2014 appropriations are enacted. That report will include the agency's assessment of the caps for this year, including adjustments arising from appropriations for overseas contingency operations, program integrity initiatives, disaster relief, and emergency requirements. The final report will also provide updated estimates of the caps for each year from 2015

Honorable Patty Murray
Page 2

through 2021. CBO's most recent estimates of the caps for those years can be found in *Sequestration Update Report: August 2013* (www.cbo.gov/publication/44491).

If you wish further details, we will be pleased to provide them. The CBO staff contact is Avi Lerner, who can be reached at 226-2880.

Sincerely,

A handwritten signature in black ink that reads "Douglas W. Elmendorf". The signature is written in a cursive, flowing style.

Douglas W. Elmendorf
Director

cc: Honorable Jeff Sessions
Ranking Member

Honorable Barbara Mikulski
Chairwoman, Committee on Appropriations

Honorable Richard Shelby
Vice Chairman

Identical letter sent to the Honorable Paul Ryan.